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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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EIGHTEEN YEARS OF UPS AND DOWNS

Since its organization 18 years ago, the Alto Cooperative Creamery Association, Ltd., Alto, Mich., has experienced the usual ups and downs. On the average it has made more than 350,000 pounds of butter annually. Its sales have varied from about \$100,000 a year to nearly \$225,000 dependent upon quantity of cream received and prevailing prices for butter. The cost of making butter has ranged from 2 cents a pound to 4.4 cents, with the low record cost in 1915 and the high record cost in 1923. Milk producers have received from 31 cents a pound to 66 cents for butterfat, the latter was the average price for the year 1919.

Detailed figures for 14 of the 18 years that the association has been functioning, are given below:

Year	Cream received	Butter sold	Received for dairy products*	Cost of making butter #	Paid for butterfat
	(Pounds)	(Pounds)		(Cents)	(Cents)
1914	1,004,523	351,947	\$101,519	2.45	31.00
1915	1,092,290	402,607	112,088	2.00	31.50
1916	929,117	386,260	124,486	2.30	35.19
1927	883,652	365,120	150,249	2.40	46.55
1918	801,018	336,321	168,138	2.80	56.30
1919	865,646	371,999	218,093	3.10	66.93
1920	864,622	381,411	224,881	- -	64.85
1921	965,870	430,890	169,138	- -	43.50
1922	1,026,973	463,832	178,797	- -	42.40
1923	1,012,049	458,929	202,665	4.40	49.70
1924	1,044,238	470,011	188,843	2.70	44.50
1925	971,699	419,898	182,750	2.90	48.00
1926	847,636	366,823	156,041	3.00	48.00
1927	708,899	301,021	138,696	3.00	52.00

* Butter, buttermilk.

Cost per pound.

CERTIFICATES OF INDEBTEDNESS SUPPLY CAPITAL FOR CREAMERY

Four hundred fifty milk producers in the vicinity of Humboldt, Iowa, formed the Humboldt Cooperative Creamery Association in 1925. The creamery began operating on November 25 of that year and by the end of December had sold dairy products to the value of \$7,579. Its income from dairy products for 1926 amounted to \$143,612; and for 1927, to \$228,502, of which amount 90.6 per cent was paid to patrons. There was an undistributed balance at the close of the year of \$1,792.

A total of 475,024 pounds of butter was made at a cost of 3.8 cents a pound.

Capital for plant and equipment and for operation has been provided by issuing certificates of indebtedness and establishing a revolving fund. At the close of 1927 outstanding certificates of indebtedness amounted to \$14,762; the revolving fund amounted to \$8,268; there was a surplus of \$1,052, and an undistributed balance of \$1,793, making the net worth of the association \$25,875 on December 31.

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ALBERTA HAS NEW PROVINCIAL DAIRY POOL

Following two years of experimental work and lengthy negotiations, the dairy cooperatives of Alberta have now united for both manufacture and marketing. Three producer-owned and -controlled centralizers, located at Edmonton, Alix and Calgary, will manufacture butter for the producers of the northern, central and southern districts of the province, and a central agency, recently incorporated as the Alberta Cooperative Dairy Pool, Ltd., will coordinate the work of the three units and direct the sales policies.

During the years 1926 and 1927 the Alberta Cooperative Dairy Producers, Ltd., commonly known as the Provincial Dairy Pool, undertook to serve a large but scattered membership, and operated a number of local creameries as units of the pool. These numbered 12 in 1926 and 40 in 1927. The result was a combined loss of approximately \$100,000. During the same period the Central Alberta Dairy Producers, Ltd., operated a centralized creamery at Alix, a strategic railway center, with great success. It built up the largest creamery in the province and made nearly a million pounds of butter a year. It accumulated net earnings to the amount of \$86,000, as follows: cash surplus, distributed to members, \$48,138; participation certificates, \$21,788; contingency reserve, \$6,000; additional equipment purchased, \$10,000.

A comparison of the results of the operations of the two types of organizations, was favorable to the large-scale enterprise. The per-pound cost of making butter at the centralized creamery with its large volume, was about one-half that of butter made in local creameries making not more than 100,000 pounds of butter annually.

INDIANA CREAMERY SERVES MANY FARMERS

The Farmers' Produce Association, Crawfordsville, Ind., was formed in January, 1924, by about 400 farmers, to market poultry, cream and eggs Cooperatively. It was organized under the auspices of the Indiana Farm Bureau Federation and was named the Montgomery County Produce Marketing Association. The shorter name was adopted in January, 1926.

The creamery began operations August 1, 1926, and in the remaining five months of the year made 199,962 pounds of butter which sold for \$91,523. Sales of eggs and poultry brought the total business for 1926 to \$97,991. Total sales for 1927 were reported as \$269,585, of which \$13,956 was for sales of eggs and live poultry. The company served 1,381 farmers during 1927 and at the beginning of 1928 had 1,011 members.

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FORTY-THREE YEARS OF COOPERATIVE ACTIVITY

It is now 43 years since the Deerfield Valley Creamery Association, Wilmington, Vt., began business. During that long period of time this farmer-controlled enterprise has been serving the milk producers in one of the Green Mountain valleys of southern Vermont. On January 1, last, it was serving 89 patrons. The quantity of butter made annually since 1915 has varied from about 78,500 pounds to 129,571 pounds, the latter quantity having been manufactured in 1923. Cash receipts have varied from about \$22,000 a year to more than \$60,000, and expenses have amounted to from 8 to 11 per cent of sales.

The growth of the enterprise since 1915 is indicated by the following figures:

Year	Butter made		Paid for cream	Expense
	(Pounds)	(Relative)		
1915	78,465	100	\$22,062	\$2,550
1916	79,410	101	25,715	2,783
1917	80,379	102	32,645	3,023
1918	83,222	106	39,876	4,183
1919	92,029	117	51,678	4,849
1920	99,752	127	58,131	6,065
1921	114,923	146	47,279	6,209
1922	118,936	152	47,889	5,334
1923	129,571	165	60,204	6,192
1924	121,043	154	52,333	5,340
1925	122,791	156	54,665	5,823
1926	121,920	155	52,258	5,595
1927	111,084	141	51,895	5,531

NET EARNINGS FROM ELEVATOR SYSTEM

Net earnings of \$1,000,000 by the Alberta Pool Elevators, Calgary, are being distributed to members of the wheat pool who used the association's handling facilities in marketing their 1927-28 grain. The distribution is on the basis of 2 cents a bushel on wheat shipped over the platform to pool terminals, $3\frac{1}{2}$ cents a bushel on wheat specially binned in pool elevators, and 4 cents a bushel on wheat delivered to pool elevators by wagon load. One hundred sixty elevators were operated.

The million dollars is available after the payment of all operating expenses, setting up an allowance for contingencies, providing 5 per cent for depreciation, and providing for interest on elevator reserve deductions at the rate of 6 per cent.

More than 300 "pool" elevators will be in operation at the beginning of the 1928-29 season, besides three large terminals on the Pacific Coast. When the association started its elevator business in 1925 it operated 3 elevators; in 1926 it had 42; in 1927, 160; and this year it will have at least 306. Twenty-two houses have been purchased recently from elevator companies; and more than 100 have been built out of 125 called for by the building program.

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A COMMUNITY ENTERPRISE IN OHIO

A "gigantic community affair" is the way the firm auditing the accounts of the Deshler Farmers' Elevator Company, Deshler, Ohio, described that farmers' business enterprise. The company was formed in 1916 with \$11,550 of capital stock. At the close of business on May 1, 1928, it had paid-in capital stock to the amount of \$76,700 and the fixed assets, including land, two grain elevators, a grain drier, a store building, store fixtures and office fixtures, had a depreciated valuation of \$116,008. Products and commodities have been sold to the value of \$9,059,157 during the 13 years of operation; net earnings have amounted to \$250,892; dividends on capital have totaled \$65,957; and refunds to patrons, \$79,957, part of which amount has been invested in capital stock of the company.

Sales for the 1927-28 season were \$1,056,020, the greater part of the amount coming from the marketing of corn, oats and wheat. Coal sales amounted to \$51,534 and store sales to \$117,387. The expense of the store was less than 7 per cent of gross sales. Grain was handled at a cost of 1.2 cents a bushel, and the entire cost of conducting the extensive business was but 4.5 per cent of sales.

Among the commodities handled besides grain and coal were groceries, dry goods, produce, and cream. More than 600 shareholders are interested in the enterprise and last year the patrons numbered more than 1,300.

COMPANY HANDLES GRAIN, COAL AND BINDER TWINE

With grain elevator and equipment valued at about \$8,000, the Farmers' Cooperative Elevator Company, Mellette, S. Dak., is transacting a gross business of approximately \$170,000 a year. Sales for the year ending June 30, 1928, were \$171,083. A total of 155,101 bushels of grain was handled, as follows: wheat, 134,582 bushels; barley, 16,878 bushels; rye, 2,278 bushels; oats, 1,363 bushels. In addition to shipping grain the association handled 1,092 tons of coal and 44,800 pounds of binder twine.

Gross earnings from operations for the 1927-28 year were \$11,362, and operating expenses, depreciation, and bad debts amounted to \$5,244. Other income increased the net earnings to \$7,140. At the close of the business year the association had a net worth of \$19,155. It was organized in 1909, has about 32 stockholders, and last year served approximately 65 patrons.

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FIVE ELEVATORS OPERATED BY ONE ASSOCIATION

Five elevators are operated by the Pawnee County Cooperative Association, Larned, Kans. This company was organized in 1905 for the purpose of operating a grain elevator at Larned. Later when a north and south railroad crossed the county, it had to establish outlying elevators to furnish the service demanded by its patrons. About 1920 this farmers' business enterprise was reorganized under the Kansas Cooperative law.

During the past three seasons grain has been handled as follows: 1925, 359,177 bushels; 1926, 470,790 bushels; 1927, 321,011 bushels. Sales of side lines for the three years have been: 1925, \$89,890; 1926, \$88,306; 1927, \$91,413. The side lines have consisted largely of sacked feeds, seeds, salt and coal. These are distributed from warehouses located near the elevators. The company also carries on a wholesale business in gasoline and lubricating oils, supplying oil from tank wagons to garages and farmers.

The association has a paid-up capital of \$56,400 and its property is valued at \$43,946 after due allowance for depreciation. Owing to a policy of paying out earnings as dividends, the association failed to build up a surplus and when a bad year came recently it found itself with a deficit which is now being slowly wiped out. Although the stockholders actually invested only \$17,000 in the enterprise they have received dividends in cash and stock to the amount of \$97,000.

On January 1, 1928, the stockholders numbered 342. The company served more than 600 patrons last year and its sales for the year totaled \$620,728.

DETAILED FIGURES FOR ILLINOIS GRAIN COMPANY

Records covering 16 years of the life of the Farmers' Grain and Coal Company, Green Valley, Ill., indicate that niggardly or bounteous crops and price levels are big factors in the prosperity of such an enterprise. During the 1912-13 year the association handled 260,828 bushels of grain, 1,000 tons of coal, and 730 pounds of binder twine, with total sales of \$142,229 and net earnings of \$2,499. In the two war years, 1917-19, it handled nearly 800,000 bushels of grain with a sales value of more than \$1,200,000. Decreased grain receipts in recent years have reduced total sales to less than \$300,000 a season. Expenses of operation increased slowly from 1912 to 1923 since which year they have declined slightly but not in proportion to the falling off in grain business. During the prosperous years the association management built up a surplus which is proving helpful in tiding the organization over the lean years.

Detailed figures for the 16 years are as follows:

Marketing season	Grain received (Bushels)	Total sales	Expenses	Net worth*
1912-13	260,828	\$142,229	\$2,223	\$13,297
1913-14	191,782	126,768	2,793	13,302
1914-15	155,683	121,912	2,252	16,655
1915-16	367,692	277,376	3,088	17,577
1916-17	233,259	237,825	3,914	25,476
1917-18	395,055	601,233	5,152	26,474
1918-19	392,595	599,648	6,137	32,131
1919-20	246,443	409,221	7,345	37,263
1920-21	363,224	- - - -	6,700	52,367
1921-22	338,763	255,222	6,635	66,516
1922-23	383,110	279,621	9,204	40,249
1923-24	236,858	192,656	8,176	41,143
1924-25	195,566	216,329	8,306	36,944
1925-26	279,385	237,558	8,394	36,180
1926-27	279,722	- - - -	7,583	35,456
1927-28	- - - -	- - - -	7,163	33,762

* At close of business year.

This producers' organization was started in 1903. It is now serving about 300 farmers, 160 of whom are shareholders. On June 30, last, paid-up share capital amounted to \$36,275, divided into shares of \$25 each. About 75 per cent of the grain is sold "on track" and the remaining 25 per cent is "consigned."

TASMANIA ASSOCIATION EXPORTS ITS FRUITS

The Port Huon Fruitgrowers' Cooperative Association, Ltd., Hobart, Tasmania, completed its tenth year of operation on June 30, 1928. The annual report states that it handled a "large proportion" of the 3,000,000 cases of apples and pears exported from Tasmania during the year, but the prices were not entirely satisfactory to growers. Fruit is shipped throughout the year to Brisbane, Sydney and Newcastle, but the bulk was shipped to London last season because of the difficulty of securing refrigerated tonnage to other ports.

Net earnings for the year amounted to £2,393, which covered the losses of the disastrous year of 1926 and left a balance of £21 in the profit and loss account. The association has an authorized capital of £60,000, paid-in capital of £20,014, and reserves of £5,840.

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FLORIDA CITRUS EXCHANGE STUDIES FOREIGN MARKETS

Marketing plans of the Florida Citrus Exchange, Tampa, call for expansion of its foreign markets, and the manager is in Europe making a survey of some of the principal outlets. As fruit is handled in very different ways in different countries, it is highly important to know just what the trade wants and how it wants it. The manager is seeking to learn the dealers' ideas on the best methods of handling Sealdsweet fruit.

Only in the past two years has the Exchange given special attention to sales in the foreign markets. It adopted a policy of developing prestige first and volume later. Accordingly, it moved slowly and carefully, and worked to build up a reputation for Sealdsweet grapefruit, which has now created a demand for oranges bearing the same trademark. Eleven foreign countries have now become familiar with this brand and the Exchange proposes to increase the volume of shipments.

Reports from a number of locals tell of large increases in volume for this season. The Elfers association has added 1,200 acres and expects to have at least 130,000 boxes of fruit, compared with 25,000 boxes last year; the Clearwater association has 100,000 boxes signed, twice the number of last year; at Largo the sign-up has jumped from 120,000 to 200,000 boxes; and Dade City reports more than 60,000 boxes signed doubling its previous record. At many points the packing houses are increasing their capacity and adding new equipment.

One subexchange manager comments on a change in the attitude of growers toward the Exchange in the last two years. He states: "We find little resistance; whether a grower is willing to sign or not, there is a decidedly more friendly feeling, and in my opinion with efficient operation throughout the territory we will continue to make big gains in tonnage."

ALMOND EXCHANGE HAS BIG MANUFACTURING BUSINESS

Some of the things which the California Almond Growers' Exchange, San Francisco, has accomplished in the 18 years since it was formed, were reviewed in the reports read at the annual meeting. From a comparatively small organization, the Exchange has grown till it has more than 3,500 members. Formerly it sold all of its nuts in the shell, now it owns a very complete modern plant where numerous lines of almond products are prepared for market and packed in various ways to meet the needs of the customers. This gives the Exchange a year 'round market. Almonds are blanched, salted, roasted, toasted, sliced, or ground, as the trade may require, according to approved scientific methods developed through much study and research. Some lines of goods are packed in vacuum drums, tins or jars, to insure their preservation.

During the 1927-28 year the Exchange received 7,150 tons of nuts, and also marketed a large carry over from the 1926 crop which remained unsold at the previous annual meeting. This carry over was marketed to such good advantage that it brought the growers \$122,853 more in cash than they would have received if the nuts had been sold before the close of the fiscal year.

The financial condition was reported as excellent, with no debts outside those to the membership, \$256,000 in the suspense account, and fixed assets of approximately \$451,000, represented largely by the Sacramento plant. Plans have been developed to establish a fixed-assets, revolving fund to handle deductions made from membership returns. As a first step the amounts withheld for fixed assets up to and including 1918, are to be repaid as soon as the necessary computations can be finished. Other repayments will be made from year to year and after the full amount has been repaid a five-year cycle will be established so that members will not have their money invested in the fixed assets of the Exchange for a longer period than five years.

The rapid increase in the quantity shelled and distributed as shelled almonds in various forms, is indicated by the following figures: 1922, 133,109 pounds; 1923, 2,145,092 pounds; 1924, 1,649,084 pounds; 1925, 1,156,392; 1926, 3,852,087; 1927, 3,650,288.

In the interests of economy the management urges the growers to work for larger production per acre and the elimination of undesirable varieties. The Exchange received 53 varieties of almonds last year and states that the list should be cut down to not more than a dozen varieties.

As a further measure to reduce expenses, a circular on "When and where to deliver" has been prepared for the guidance of members. They are urged to cooperate with their warehousemen and deliver nuts promptly but not till they are thoroughly dry, and to make as large deliveries at a time as is possible, as it costs the Exchange as much to record a small delivery as a large one.

TEXAS COTTON GROWERS RECEIVE FINAL PAYMENT

Checks to the amount of \$1,107,643 were mailed to members of the Texas Farm Bureau Cotton Association, Dallas, Tex., on September 6, in final settlement for 1927 cotton. This brought total payments for the season to \$17,089,249. Each check was accompanied by a statement showing full details for each bale of cotton shipped, also a letter from the president of the association discussing the settlement for 1927 cotton and plans for the future.

Operating expenses for the 1927-28 season amounted to \$2.45 a bale, compared with \$2.67 in 1926-27, while expenses of storing, handling, compressing, etc., were \$3.24 compared with \$2.82 the previous year, and members' interest expense increased from \$0.42 to \$1.27. Average freight to Houston increased from \$4 to \$4.11, making a total per bale cost for the past season of \$11.08, compared with \$9.91 in 1926-27.

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ALABAMA ASSOCIATION RECEIVING MUCH COTTON

A report from the Alabama Farm Bureau Cotton Association, Montgomery, states that cotton is pouring into the association. Over 200 bales had been received up to September 8 and of the cotton ginned to that date the farmers had pooled a larger percentage than ever before. This seems to indicate that the plan for handling cotton in a special pool, if the member so wishes, and making settlement promptly, is proving popular with the growers. Any member may require that one-half of his cotton placed in the special pool be sold at once and settled for promptly, or such cotton may be held for instructions from the member as to date of selling.

The Alabama association has now operated six years, five under the first contract, and one year under the new seven-year contract. A summary of the business transacted in the six years is presented in the following table:

Marketing season	Bales handled	Value
1922-23	57,410	\$7,807,199.48
1923-24	65,316	9,211,765.10
1924-25	79,388	9,324,587.19
1925-26	106,617	8,922,735.81
1926-27	106,726	7,500,000.00
1927-28	80,238	7,600,000.00
Total	495,695	\$50,366,287.58

TRAFFIC DEPARTMENT HANDLES CLAIMS FOR GROWERS

The traffic department of the Texas Farm Bureau Cotton Association, Dallas, has secured refunds for members of the association to the amount of \$77,548 during the season just closing. All but a few hundred dollars had been collected by the middle of September. The refunds were largely from transportation lines on concentration claims. These accounted for \$70,609; loss claims amounted to \$1,515; straight overcharge claims, to \$4,029; and unloading claims, to \$1,394.

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NORTH CAROLINA COTTON ASSOCIATION OFFERS NEW SERVICE

A new service offered to members this season by the North Carolina Cotton Growers' Cooperative Association is a "long-staple optional pool." All cotton of one and one-eighth inches or over is classed as long staple. When a member delivers long staple cotton he has merely to specify whether he wishes it to go into the seasonal pool or the optional pool, and if he chooses the latter, the length of the staple will determine automatically whether it shall go into the long-staple optional pool.

The association will pay fixed premiums for staples when making the provisional settlement for cotton, and at the end of the season, it will make an adjustment covering the difference between the fixed premium already paid and the actual premium received by the association. This plan the management considers absolutely fair as the members will receive the full premiums received by the association for their cotton.

Long staples in the seasonal pool will not be handled separately, as the average premium for the season is always a factor in the final settlement.

The association does not encourage its members to grow long staple cotton, as a study of conditions has shown that to be grown profitably, such cotton should be grown by communities which can establish a reputation for their product. However, the association is confident that it is in a position to handle such cotton on its merits and to secure prices nearer the true value than the growers can secure on the local markets.

Reduction of operating expenses for the 1928 season, has been carefully studied and a number of measures have been adopted, including the following: a change in the bonding of employees has saved more than a thousand dollars and given the association a stronger bond; a change in the insurance policy has saved money for the warehousemen and the association; changing from three warehouses to one at Charlotte resulted in a better contract at a considerable saving; new arrangements with the bank that handles warehouse receipts, will be advantageous; a slight reduction in the weight of tags and drafts will make a small saving; a new machine, designed by one of the employees, has been installed in the office, and is expected to do the work of two or three employees. Several other measures of economy are being worked out.

SUPPLY COMPANY HAS MANY LINES OF EFFORT

Windmills are becoming popular in Alabama. The Alabama Farm Bureau Mutual Supply Association, Montgomery, has sold sixty within the last few months to farmers who want running water in their homes and barns. Sales have totaled \$6,102, of which \$1,817 has been refunded as patronage dividends.

Handling fertilizers on a pooling basis, is one of the main activities of the supply association. Orders are handled through the county farm bureaus and a deposit is required with each order. The development of the fertilizer business since its inception is shown below:

Year	Fertilizer handled (Tons)	Value of fertilizer	Dividends
1923	39,000	\$1,219,658	None
1924	68,000	1,800,000	None
1925	81,783	2,600,000	\$101,490
1926	73,215	2,423,286	135,389
1927	38,379	1,073,067	106,789
1928	101,619	3,256,056	125,022

Two other important lines of supplies are winter legume seeds and calcium arsenate. The volumes sold and values for each of the past five years are as follows:

Year	Vetch and Austrian peas		Calcium arsenate	
	Quantity (Pounds)	Value	Quantity (Pounds)	Value
1924	505,591	\$ 60,670	125,000	\$15,625
1925	526,905	54,138	229,200	24,639
1926	397,928	67,647	309,646	22,449
1927	790,649	124,596	18,000	1,800
1928	785,389	109,811	15,000	1,500

Dividends on the seeds amounted to \$8,655 in the five years, and on the calcium arsenate, to \$1,316.

In addition to buying supplies the Farm Bureau sells products of the farms in increasing quantities. Such sales totaled \$134,109 in the year ending July 31, 1926, and reached \$477,026 in the year ending July 31, 1928. Produce handled included: turkeys, eggs, chickens, sheep, lambs, wool, hay, cattle, hogs, and corn.

A COOPERATIVE STORE IN ILLINOIS

For the first half of the calendar year the Cooperative Trading Company, Waukegan, Ill., made sales to the amount of \$325,879, which was an increase of \$43,118 over the preceding six months period. However, it was some four thousand dollars less than the goal the management had set for the half year. July sales were encouraging as they amounted to \$54,460, or \$293 more than the quota set.

Net earnings for the half year amounted to \$14,376. The company now has share capital to the amount of \$53,490; loan capital, \$21,619; trade rebates, payable in shares, \$32,614; and reserves, \$12,660.

The Cooperative Trading Company is a large store society, handling groceries, meat and dairy products, and conducting a branch store. In March of the present year it bought out a competing company which handled the same lines of goods and also operated a bakery.

Sales for the first six months of 1927 amounted to \$281,596, and for the first six months of 1926 to \$267,366.

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WASHINGTON GRANGERS BUY COOPERATIVELY

Four hundred patrons now take advantage of the services offered by the Grangers' Warehouse Company, Inc., Kent, Wash., a cooperative formed by a group of farmers in 1912 to sell fruits and eggs and to buy feed, fertilizer, and other requirements. The company began in a small way with volunteer help but its business increased rapidly and by 1919 it was handling food and kitchen supplies and the capacity of its warehouse had to be doubled. The following year a store building was erected and equipped to carry merchandise of all sorts, including dry goods, groceries, meat, clothing, shoes, hardware, electrical supplies, machinery, fertilizers, feeds, automobile supplies, roofing, etc. Annual sales in those prosperous years reached the \$300,000 mark.

The warehouse building is used for feeds, fertilizers, and bulk goods. Since 1926 the company has also operated a feed mill in this building. The present business is about \$200,000 a year and from one-half to two-thirds of this is in feeds.

On December 31, 1927, the company had a net worth of \$38,980, including paid-in capital stock of \$7,351, and surplus of \$31,629. Its land, store building, warehouse, feed mill, furniture and equipment had a depreciated value of \$16,309. Among its assets was an item of \$1,000 stock in the Grange Cooperative Wholesale, Seattle, through which organization the company buys every possible line of supplies thereby securing favorable prices.

Net earnings of \$5,947 resulted from the business of 1927.

CZECHO-SLOVAKIA NINE PER CENT COOPERATIVE

Reports from Czecho-Slovakia show a rapid development of cooperative enterprises in the last ten years. On January 1, 1928, there were 15,576 societies, classified as follows:

Credit societies (two types)	6,504
Agricultural societies:	
Purchase and sale societies	1,477
Provision societies	1,070
Societies for improvement of agricultural technique	1,070
Workers' and artisans' productive societies	1,594
Consumers' societies	1,217
Building societies	1,537
Other societies	115

The membership of these societies is estimated at 2,500,000. Many belong to more than one society. Individual cooperators are said to represent 9 per cent of the population of the republic.

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STATISTICS OF COOPERATIVES IN NEW SOUTH WALES

New South Wales had 90 rural cooperative societies on June 30, 1927, according to the report of the registrar. Of this number 82 were active. They were engaged in manufacturing and selling butter, cheese and bacon, in packing and marketing fruit, and in buying poultry feed and other supplies. For the year under review sales amounted to £2,676,168. Development for the past three years is indicated below:

Year	Number of societies		Number of members	Land buildings etc.
	Regis-tered	Report-ing		
1924-25	33	27	2,602	£ 92,860
1925-26	64	41	6,547	245,135
1926-27	90	82	13,490	549,074

The trading societies, or consumers' cooperatives, have developed from 26 in 1901 to 58 in 1927; their membership has increased from 23,083 in 1911 to 54,610 in 1927; their share capital amounts to £868,395, and their surplus and reserves to £435,315. Sales for 1926-27 amounted to £3,680,785, and total income to £3,737,080.

LIABILITY OF OFFICERS

The rule which fastens liability upon a corporation for the wrongful and unauthorized act of an officer is not confined to cases where the act is done in furtherance of the business of the corporation. A corporation selects its officers and places them in charge of its business. If one of them is unfaithful to his trust and, while acting within the apparent scope of his authority, he perpetrates a fraud on an innocent third party, the corporation is liable notwithstanding the fact that the officer was really acting for his own benefit and not for the benefit of the corporation. 5 Fletcher, Corp. Par. 3346; Picha v. Cent. Met. Bank (Minn.) 201 N. W. 315, 203 N. W. 617. Engen v. Merchants' & Mfrs.' State Bank, (Minn.) 204 N. W. 963.

L. S. Hulbert.

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CORPORATIONS LIABLE FOR TORTS

Corporations are liable for every wrong they commit, and in such cases the doctrine of ultra vires has no application.

They are also liable for the acts of their servants while such servants are engaged in the business of their principal, in the same manner and to the same extent that individuals are liable under like circumstances. Merchants' Bank v. State Bank, 10 Wall 604.

An action may be maintained against a corporation for its malicious or negligent torts, however foreign they may be to the object of its creation or beyond its granted powers. It may be sued for assault and battery, for fraud and deceit, for false imprisonment, for malicious prosecution, for nuisance, and for libel. In certain cases it may be indicted for misfeasance or nonfeasance touching duties imposed upon it in which the public are interested. Its offences may be such as will forfeit its existence. Philadelphia, Wilmington, & Baltimore Railroad Co. v. Quigley, 21 How. 209; 2 Wait, Actions and Defences, pp. 337-339; Angell & Ames, Corporations, sects. 186, 385; Cooley, Torts, pp. 119, 120. National Bank v. Graham, 100 U. S. 699.

L. S. Hulbert.

PROPHETIC STATEMENTS HEID IMMATERIAL

The Court of Appeals of Ohio recently decided the case of Brannan v. Ohio Poultry Producers' Cooperative Association, 162 N. E. 453. The association brought suit against the defendant for the recovery of liquidated damages on account of the fact that he had sold eggs and poultry outside of the association in violation of the contract. The contract provided that he should pay 5 cents per dozen on eggs and 4 cents per pound on poultry for all eggs and poultry sold or marketed by him outside the association. He sold at least 2,520 dozens of eggs in violation of his contract and 1,200 pounds of poultry. The lower court, therefore, awarded the association \$297 as damages and the defendant then appealed.

On appeal, defendant complained because the trial court had excluded evidence offered by defendant to the effect that he would not have signed the marketing contract except for the representations made to him, that if he became a member he would receive from 3 to 6 cents a dozen more for his eggs than he could otherwise obtain, and that by the shipment of eggs in car loads the defendant would receive further benefit and profit. With respect to this contention, the court said:

One guess is as good as another, and defendant was as well able as Greek to speculate upon what might be attained if the plans of the association were consummated. The alleged statements did not involve the assertion of a past or an existing fact, and we therefore are of the opinion that the trial court did not err in excluding this testimony.

The defendant also complained because the trial court refused to submit the question of the amount of the damages, if any, to the jury, claiming in this connection that the liquidated damages stipulated in the contract amounted to a penalty. The court disposed of this claim by saying:

With this contention we do not agree, for the reason that the nature of the contract is such that it is apparent that damages for breach thereof of the character alleged would be uncertain as to amount and incapable of proof. The contract shows that the parties intended to fix the measure of damages as provided therein, and, considering the purposes sought to be attained thereby, we cannot say that the damages, as stipulated, are so unreasonable as to be considered unjust and in the nature of a penalty.

L. S. Hulbert

CALIFORNIA POULTRYMEN HOLD THIRD INSTITUTE

Organized poultrymen of Southern California met in Pomona on July 13 for their third annual Poultry Institute. Among speakers who addressed the meeting were representatives of the Poultry Pathological Laboratory, Los Angeles; of the State Bureau of Markets, and of the Division of Cooperative Marketing, U. S. Department of Agriculture.

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NEW COURSE OFFERED BY CORRESPONDENCE SCHOOL

A new course on the Organization and Administration of Cooperative Societies, has been added by the Cooperative League of the U. S. A., New York City, to the curriculum of its correspondence school. This makes the sixth course offered in this school. The others are: Business English, Business Arithmetic, Elementary Bookkeeping, Advanced Bookkeeping and Accounting, and History and Principles of Consumers' Cooperation. The first three are elementary courses, planned for those who need the preparation for more advanced work.

For the past ten years resident training schools have been held in various parts of the country to train young people as managers and bookkeepers of cooperative societies, and the correspondence school was started for the benefit of persons who wished such training but for various reasons were unable to attend the resident schools.

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NORTHERN STATES LEAGUE HOLDS SEVENTH CONVENTION

The seventh annual convention of the Northern States Cooperative League, Minneapolis, Minn., held recently at Ironwood, Mich., was reported to be the largest convention the League has ever held. Furthermore, it was said to be one of the most harmonious and constructive. Seventy-two voting delegates were in attendance, with 5 alternates and 12 fraternal delegates, representing 10 constituent societies and 5 fraternal societies affiliated with the League, and 6 organizations not yet affiliated.

Reports presented at the meeting showed that the Northern States Cooperative League includes 30 consumers' societies as constituent members, with an aggregate membership of 54,500 individuals. Its fraternal membership consists of 10 organizations, 6 of which are labor organizations. The financial report showed a net income from all sources of \$6,260 and a net deficit for the year of \$31.72. A new budget presented for 1928-29 called for an income of \$7,100.

Superior, Wis., was selected for the next annual convention to be held in July or August, 1929.

SELECTED READING FOR COOPERATORS, No. 4

"How to Cooperate," by Herbert Myrick (Orange Judd Company, 1891), was intended as a manual for farmers who wished to join forces in some cooperative effort. Mr. Myrick was well known for many years as editor and publisher of popular farm journals. He was also an author and a farmer. In the belief that the cooperative movement at that time needed less theory and more practice, he tried to make his book thoroughly practical by describing just how certain associations were organized and how they conducted their affairs.

In the field of cooperative buying and selling, he began with that historic store opened in 1844 by the Equitable Pioneers' Society of Rochdale, England, with meager supplies of four commodities, flour, butter, sugar and oatmeal. The poor weavers who saved their two pence a week for a whole year to start this humble store, builded better than they knew for they developed the plan of "feeding cooperation on its earnings," which is still called the "Rochdale" system of conducting cooperative business, and from their small society has grown the Cooperative Wholesale Society of England, one of the largest business enterprises in the world, with its many stores, factories, plantations, and estates.

The author also describes successful cooperative stores in Massachusetts, Iowa, Michigan, and Kansas, and discusses the elements which fostered or hindered their growth and influence.

Cooperative production the writer considered far more complicated than buying and selling, but he tells in some detail of a number of enterprises, including the first fruit marketing society of which a record has been found. Cooperative banking and mutual insurance societies are also described.

This is one of the oldest reference books on cooperation in the United States yet the reader will find it surprisingly up to date. Although many of the associations described have passed out of existence, their articles of association and by-laws indicate that few radical changes have been made in such instruments in the succeeding years.

Another enthusiastic exponent of the cooperative movement is John L. Coulter, now president of the North Dakota Agricultural College. When he wrote "Cooperation among Farmers: The Keystone of Rural Prosperity," in 1911, he was professor of rural economy in the University of Minnesota.

Loving the country himself, he saw the crying need for making farm life more attractive and more prosperous than it might be on a parity with city life, and was convinced that in order to bring about this change the farmers must become business men and handle their own affairs. Accordingly he worked out an outline of the best forms of organization by commodity groups, based upon the experience of other groups, pointing out the factors that made for success and the pitfalls to be avoided. The book was written primarily for farmers in response to inquiries, and the material presented is very concise, practical and readable. (Sturgis & Walton Co. New York. 1911)

Chastina Gardner

MANUAL FOR DAIRY INSPECTORS AND FIELD MEN

"A Pocket Manual" has recently been issued by the Dairymen's League Cooperative Association, Inc., for use by dairy inspectors and other field workers, that they may have a clear picture of the structure, policies and organization of the League. Part I deals with the organization, outlining its history, its aims and purposes, its structure, operating policies, and method of financing. Part II, entitled "Dairy Sanitation and Quality Control," gives the official sanitary regulations of New York governing the production and handling of milk and cream, and the New York State regulations as to weights and tests. Suggestions are made regarding dairy score cards, ice and ice houses, milk house construction, cleaning milking machines, tests for determining bacterial content of milk, and other matters.

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"GRAIN GROWERS' COOPERATION IN WESTERN CANADA"

"Grain Growers' Cooperation in Western Canada," is the title of an interesting and authoritative text on the farmers' cooperative movement in western Canada. The publication is the work of Dr. Harald S. Patton, formerly of the University of Alberta.

The author traces the development of Western Canada as a grain-producing region and the agrarian unrest that originated as a result of lack of adequate facilities and grain-trade legislation during pioneering days. Out of this unsatisfactory condition there originated a group of educational or economic associations aimed at the correction of these shortcomings. Much valuable legislation is credited to these organizations, but their greatest contribution came with the organization of farmer-owned and -controlled marketing agencies. The ill-fated attempt of one provincial government to operate grain elevators as a public utility, and the successful participation of two others by the advancement of public funds for the acquisition of farmer-owned and -controlled facilities, is discussed in detail.

The author traces the successful operation of the large cooperative line elevator companies that preceded the organization of wheat pools. He recognizes the contribution of twenty years of cooperative grain-marketing experience and educational efforts to the successful organization and operation of the present pooling associations. The latter he refers to in considerable length. Their methods of organization, operating practices, and achievements, provide the subject matter for a most interesting discourse on cooperative marketing.

MANUAL TELLS HOW TO PROCESS CALIFORNIA ALMONDS

Due to the fact that California almonds require somewhat different treatment in manufacturing processes from almonds grown in Europe, the California Almond Growers' Exchange, San Francisco, has prepared a "Manual of Special Instructions for Large-Scale Blanching, Salting, Roasting and Toasting of California Almonds." The publication was prepared especially for the use of manufacturing confectioners. It shows the differences in chemical composition of various kinds of almonds, and what changes these differences necessitate in processing, and describes in detail the methods which have been developed for preparing California almonds for market. These methods embody the result of much experience and many tests by the staff of the Exchange in collaboration with State and Federal experts.

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MANY BOOKS ON COOPERATION PUBLISHED IN RUSSIA

Russia is a rich country as regards books, periodicals and pamphlets dealing with cooperation. A summary of a recent volume entitled, "A Systematic Index of Cooperative Literature Published in U.S.S.R. in 1925-26," gives the titles of 1,007 books and pamphlets published in 1925 and the titles of 705 published in 1926. In addition to the above there were published in 1925, 520 house organs and administrative circulars, and in 1926, 550 house organs and administrative circulars. These figures do not include one-page leaflets and cards, of which a great many were printed and distributed. Of the books and pamphlets issued in 1925, more than 10,000,000 copies were printed; and of those published in 1926, more than 6,000,000 copies.

The issuing of printed matter dealing with cooperation is distinctly a cooperative enterprise in Russia. It is largely in the hands of the nontrading departments of the Russian cooperatives. Most of the central and regional associations, and not infrequently the local associations, maintain printing establishments. There are also purely cooperative publishing houses. Few books on cooperation appear with the imprint of the state or noncooperative publishing firms.

A critical observer of cooperation in Russia makes the statement that "Never in the history of the Russian movement, which was always distinguished by its educational work and literature, was the scope of its publishing activities so varied and extensive as within the last four years, a fact indicative of the recent growth and interest in cooperation."

REPORTED BY THE ASSOCIATIONS

The Tennessee Cotton Growers' Association, Columbia, reports that its first bale of 1928 cotton came in August 29, from a member in Osceola, Ark., who has 500 acres of cotton. The cotton was ginned by another member of the association, and was the first bale of the season in Osceola.

The Rio Grande Valley Vegetable Growers' Association, Rio Hondo, Tex., organized early in 1928, had transacted business to the amount of \$34,289 at the end of its business year, June 30. Its 35 members joined forces to market a wide variety of vegetables and to buy the necessary seed and containers. The association is operating under a five-year contract.

Wool growers of four Alabama counties joined forces recently and sold 225,000 pounds of wool cooperatively through the Bay Minette and Citronelle wool pools. They were assisted by the county agents, the state and county farm bureaus, the district agents, and state college specialists. The wool brought an average of $43\frac{3}{4}$ cents per pound, amounting to \$100,000.

The Yakima Fruit Growers' Association, Yakima, Wash., recently furnished 30 car loads of fancy fruit for the cargo of a steamship sailing direct to South American ports. The shipment was to be distributed to several cities on the eastern coast. This steamship line installed refrigerator service last year and fruit men of the Northwest believe that the new markets thus opened to fruit shipments have great possibilities.

Poultrymen of British Columbia held a meeting in New Westminster, in July, adopted a form of contract, and instructed the directors to proceed to incorporate the British Columbia Egg and Poultry Cooperative as soon as possible. The pool is to be made up of local organizations of 25 or more members each, and the contract adopted is similar to that in use by the poultry pools of the prairie provinces. It covers a period of three years and then is renewable from year to year unless notice of withdrawal is given in writing before April 1 of any year.

A number of Australian farmers, representing state farmers' organizations, met in Melbourne, July 25, to consider the formation of an overhead association to include all the primary producers' associations of the country. A plan for such an organization, to be known as the Australian Primary Producers' Association, was formulated and will be submitted to the various farmers' organizations for approval. While the association is intended to include all bona fide primary producers' associations, its membership for the present will consist of the members of the Victorian Dairymen's Association, the Primary Producers' Union of New South Wales, and the Queensland Producers' Association.

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